

Commonwealth of Kentucky  
General Comments

Please read the enclosed material and instructions carefully.

The solicitation of the information contained in this package is for the purpose of preparing the Commonwealth's Comprehensive Annual Financial Report (CAFR) in compliance with Generally Accepted Accounting Principles (GAAP) as mandated by the General Assembly. The information submitted by the various agencies, in conformity with the instructions contained herein, will enable the Finance and Administration Cabinet to determine assets, liabilities, and fund balances of its various funds as of June 30, 2006.

The information obtained by this closing package, when combined with additional information gathered for fiscal year 2006, will enable the Finance and Administration Cabinet to determine revenues and expenditures/expenses for the Commonwealth's various funds for the fiscal year ended June 30, 2006, on a basis consistent with the provisions of generally accepted accounting principles applicable to governmental entities. It is imperative that the information requested be returned in a timely and concise manner to assure the accuracy of information presented in the Comprehensive Annual Financial Report.

General Instructions for Completion and Remittance of the Completed Packages

- A. A matrix (Form AFR 1) is included as part of this package. A separate AFR 1 form is to be completed for each agency. Instructions for form AFR 1 are as follows:
  - 1. Enter the date the form is completed.
  - 2. Enter the official agency name.
  - 3. Enter the cabinet and agency number.
  - 4. Enter the four-digit fund number(s) in which the agency has authorized account numbers established.
  - 5. If a form is submitted, indicate the number of each form submitted for that fund (i.e. some funds might have multiple submissions of certain AFR forms). Enter an "N" if a form is not submitted for that agency and fund.
  - 6. Enter the name of the person who prepared this form.
  - 7. Enter the phone number of the person who prepared this form.
- B. Retain one copy of the completed forms for audit purposes and submit the originals. Work papers used in the completion of the forms should be retained with the agency's copy.

- C. The certification letter should be typed on agency letterhead and signed by the Cabinet Secretary for those cabinets with centralized accounting, by the Department Commissioners for those cabinets with decentralized accounting, or by the agency head or executive director for other agencies as appropriate.
- D. All information requested in this package must be returned by August 9, 2006, to the Division of Statewide Accounting Services, Financial Reporting Branch.

### Special Notes

- A. Imprest cash disbursements not included on a schedule are disclosed separately from amounts already reported on a schedule. The disbursements on a schedule are separated according to reimbursement progress (“to be reimbursed” or “not reimbursed”) as of June 30.
- B. Only "old year" bills paid with "new year" allotments should be listed as accounts payable in the proper expenditure/expense object classification as defined per enclosed instructions. Do not include as accounts payable those "old year" bills which are paid during the closing period with "old year" allotments. Since "old year" bills processed during the closing period do not need to be included as accounts payable, every effort should be made to submit, for automated processing, financial transactions applicable to fiscal year 2005-2006 prior to closing. This could result in making the gathering of data relative to this solicitation less burdensome for your fiscal personnel.
- C. Accounts Receivable for fiscal year 2006 will not be listed for those documents that post to "old year" during the closing period. Receivables will be listed only for those documents that post to “new year” receipts.
- D. Amounts receivable from or payable to universities and other component units, of the Commonwealth, should be included as accounts receivable and/or accounts payable on the appropriate schedules (i.e. AFR-30 and AFR-32 or AFR-70).
- E. Documents remaining in the suspense file after close of fiscal year 2006 should be included on the appropriate AFR form.
- F. Intrafund transactions are those for which both the accounts to be charged and credited are in the same fund (i.e. both fund 1300).
- G. Interfund transactions are those for which the accounts to be charged and credited are different funds (i.e. fund 0100 and fund 1300).
- H. Within the instructions for the AFR forms, references are made to specific fund types and fund numbers. The following is a listing of fund types and corresponding fund numbers:
  - 1. Governmental funds: 0100, 0200, 0300, 1100, 1200, 1300, 1400, 1500, 6300, 6310, 6350
  - 2. Proprietary funds:
    - a. Enterprise: 2100, 2200, 2400, 2500, 2900, 6200, 6210
    - b. Internal Service: 3100, 3200, 3500, 3600, 3700, 3800

3. Fiduciary funds include:
  - a. Pension trust funds: 5000, 5051, 5056, 5100, 5200, 5300, 5320, 5400, 5500, 5600, 5751, 5752, 5756, 5758, 5759, 5800, 5900
  - b. Agency trust funds: 7100, 7200, 7250

Closing Package Assistance

- A. Forms and instructions may be obtained online at:  
<http://finance.ky.gov/internal/mars/annualcloseout.htm>
- B. For general closing package questions, contact one of the following at (502) 564-7750:
  1. Richard Ioos, ext. 2154
  2. Kim Moore, ext. 2156
- C. For capital leases or fixed assets questions, contact Jackie Green at (502) 564-7750, ext. 2140.
- D. Upon completion, mail the signed forms to:

Division of Statewide Accounting Services  
Financial Reporting Branch  
702 Capital Avenue, Room 484  
Frankfort, Kentucky 40601

Thank you for your assistance in completing this year's Comprehensive Annual Financial Report.